

**MINUTES OF REGULAR MEETING
OPEN SESSION
ILLINOIS GAMING BOARD
JULY 23, 2007
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Monday, July 23, 2007 a Regular Meeting of the Illinois Gaming Board ("Board") was held in the conference room of the Gaming Board Offices on the 3rd floor at 160 N. LaSalle, Chicago, Illinois.

On Monday, July 23, 2007 the following Board Members were present: Chairman Aaron Jaffe, Members Charles Gardner, James Sullivan, Joe Moore and Eugene Winkler participated via telephone.

At 10:35 a.m. on Monday, July 23, 2007 Chairman Jaffe called the meeting to order. Pursuant to Section 2(c), paragraphs (1), (4), (11), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act, Member Gardner moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today's agenda and relating to the following subject matters:**

1. **Pending Litigation and matters involving probable litigation;**
2. **Investigations concerning applicants and licensees;**
3. **Personnel matters;**
4. **Closed session minutes; and**
5. **Evidence and testimony presented in disciplinary hearings.**

Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote. The Board remained in Closed Session until approximately 11:05 p.m. The Board went into Open Session at 11:25 a.m.

Roll call was taken for the start of the open session.

3. **CHAIRMAN'S REPORT/COMMENTS** – no motion
4. **BOARD MEMBERS' COMMENTS** – no motion
5. **ADMINISTRATOR'S REPORT** – no motion
6. **PUBLIC COMMENTARY** – none
7. **OWNER LICENSEE ITEMS** –
 - a. Items for Initial Consideration – none

b. Items for Final Action –

Ron Wicks addressed the Board for approval of the financing.

Member Gardner stated that he has worked with staff and with representatives from Casino Rock Island and commended staff and the representatives from Casino Rock Island on a job well done. Member Gardner stated that \$150M will be invested into the Rock Island economy and Casino Rock Island is agreeing to pay a projection of taxes to the State of Illinois in the amount of \$20M in gaming revenues over the next few years compared to \$6M or \$7M that Casino Rock Island has been paying; a huge number of jobs being generated in the building of this new facility and continue operation of the Casino. Member Gardner stated that it is a risk that Casino Rock Island should undertake.

- Casino Rock Island – Approval of New Proposed Casino Construction Project, Financing and Pledge Agreement

Member Gardner offered the following Resolution:

Whereas, on October 18, 2005, the Board gave limited approval to Casino Rock Island to continue work in moving off the Mississippi river to a site at the intersection of Interstate 280 and Highway 92;

Whereas, since October 2005 the Board has diligently worked with Casino Rock Island on issues related to the relocation of its Riverboat Gaming Operation and financing issues related to relocation and construction.

NOW THEREFORE,

BE IT RESOLVED THAT, based upon staff's investigation and recommendation, the Board approves the following:

1. Pursuant to section 230(d) of the Adopted Rules, The Rock Island Boatworks, Inc.'s proposed \$151 Million construction project for a casino, hotel and parking structure at the aforementioned site;
2. Pursuant to section 230(d) of the Adopted Rules, the financing package consisting of \$93 Million in Senior Debt and \$36 Million in Subordinated Debt;
3. Pursuant to section 235(b) of the Adopted Rules, the Pledge Agreement by and among D. James Jumer Trust, James F. Jumer, John Albert Jumer and Sylvia Wicks and JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as Administrative Agent for the Holders of Obligations under the First Lien Credit Agreement, as approved, and

4. Pursuant to section 235(b) of the Adopted Rules, the Pledge Agreement by and among D. James Jumer Trust, James F. Jumer, John Albert Jumer and Sylvia Wicks and GUGGENHEIM CORPORATE FUNDING, LLC, as Administrative Agent for the Holders of Obligations under the Second Lien Credit Agreement, as approved, and subject to the final approval by the Administrator of the construction contract to be entered into with Krause Anderson.

Member Gardner moved that **the Gaming Board adopt this resolution**. Member Moore seconded the motion. The Board approved the motion unanimously by role call.

Chairman Jaffe went on to state that all the material was reviewed and we all know what the risks are in undertaking this project, if it works out it will be good economically for the area.

Member Moore seconded the Chairman's comments.

ADJOURNMENT

At 11:35 a.m. Member Moore motioned for adjournment while Member Sullivan second the motion.

Respectfully submitted,

Mary C. Boruta
Secretary to the Administrator